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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

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12 July 1976

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Honorable George H. Mahon, Chairman
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

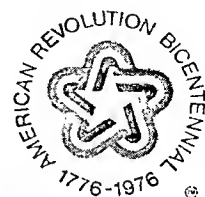
The Committee's classified report of 8 June 1976 concerning the plans, programs, and budgets of the Intelligence Community for FY 1977 states that the Committee's Surveys and Investigations Staff has been directed to conduct a comprehensive review of CIA's Directorate of Operations.

As you know, on 7 July 1976 I assumed the duties of Deputy Director of Central Intelligence. At the request of the Director, and in accordance with the provisions of Executive Order 11905, I am responsible for the "day-to-day operations of the CIA." While this represents a new division of responsibility, which is not yet fully defined, I will develop the plans and programs of the Agency and make judgments about the allocation of resources applied to Agency functions.

This is a great responsibility and I undertake the assignment with a dedication of accountability to the Director, to the President and his advisors, and to the Congress through its oversight Committees. In this spirit, I pledge my full cooperation to you and to your colleagues on the Defense Subcommittee.

One of my top priorities in this assignment will be to assure the balanced application of resources within the Agency. I will be looking at such questions as whether we have shortchanged the processing and analysis functions and devoted too much to collection. Intimately related to this question is the size and the effectiveness of the Operations Directorate, the largest Directorate within the Agency. We are, therefore, probing deeply into areas in which the Committee has expressed interest. I expect my review of this phase of Agency activities to take approximately six to nine months.

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As you may know, the Operations Directorate of CIA has been subjected to extensive reviews and investigations by various oversight and investigating organizations within the past two years. I am concerned that an additional external review at this time will impede the functioning of this important part of our intelligence collection mechanism before I have had an opportunity to exercise the responsibilities placed upon me. I, therefore, respectfully request that the Committee permit me an opportunity in my new capacity to look into the areas of our mutual concern before the Surveys and Investigations Staff commences the review contemplated by the Committee's report. I will, of course, keep you and the Subcommittee informed by way of periodic status reports as to how we are getting along and our findings, of course, will be made available to your Committee through the staff.

Your consideration of this request will be most appreciated.

Faithfully yours,

SIGNED

E. H. Knoche
Deputy Director

Distribution:

Original - Addressee

1 - Rep. Jack Edwards

1 - DCI

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1 - DDO

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76 - 8481

Honorable George H. Mahon, Chairman
Committee on Appropriations
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

The Committee's classified report of 8 June 1976 concerning the plans, programs, and budgets of the Intelligence Community for FY 1977 states that the Committee's Surveys and Investigations Staff has been directed to conduct a comprehensive review of CIA's Directorate of Operations.

As you know, on 7 July 1976 I assumed the duties of Deputy Director of Central Intelligence. At the request of the Director, and in accordance with the provisions of Executive Order 11905, I am responsible for the "day-to-day operations of the CIA." While this represents a new division of responsibility, which is not yet fully defined, I will develop the plans and programs of the Agency and make judgments about the allocation of resources applied to Agency functions.

This is a great responsibility and I undertake the assignment with a dedication of accountability to the Director, to the President and his advisors, and to the Congress through its oversight Committees. In this spirit, I pledge my full cooperation to you and to your colleagues on the Defense Subcommittee.

One of my top priorities in this assignment will be to assure the balanced application of resources within the Agency. I will be looking at such questions as whether we have shortchanged the processing and analysis functions and devoted too much to collection. Intimately related to this question is the size and the effectiveness of the Operations Directorate, the largest Directorate within the Agency. We are, therefore, probing deeply into areas in which the Committee has expressed interest. I expect my review of this phase of Agency activities to take approximately six to nine months.

As you may know, the Operations Directorate of CIA has been subjected to extensive reviews and investigations by various oversight and investigating organizations within the past two years. I am concerned that an additional external review at this time will impede the functioning of this important part of our intelligence collection mechanism before I have had an opportunity to exercise the responsibilities placed upon me. I, therefore, respectfully request that the Committee permit me an opportunity in my new capacity to look

into the areas of our mutual concern before the Surveys and Investigations Staff commences the review contemplated by the Committee's report. I will, of course, keep you and the Subcommittee informed by way of periodic status reports as to how we are getting along and our findings, of course, will be made available to your Committee through the staff.

Your consideration of this request will be most appreciated.

Faithfully yours,

E. H. Knoche
Deputy Director

DRAFT
E. H. Knoche
12 July 1976

Executive Registry

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Honorable George H. Mahon, Chairman
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Chairman Mahon:

In your Committee's report of ___ July concerning the plans, programs, and budgets of the Intelligence Community, you describe a desire for a staff review of the size and effectiveness of the Operations Directorate in CIA.

As you know, I have recently been confirmed and sworn in as the Deputy to DCI George Bush. At his request, and in accordance of terms in the President's Executive Order 11905, it is my responsibility to provide "day-to-day operation of the CIA." This responsibility is a new one in the Agency's experience and is not yet fully defined at a minimum. I will be responsible for developing the plans and programs of the Agency and for making judgments about the allocation of resources applied to Agency functions.

Obviously, I take this challenge with a deep feeling of responsibility. I also undertake the assignment with a feeling of accountability to the DCI, to the President and his Advisors, and to the Congress through Oversight Committees. I pledge to you and to your colleagues on the Committee, and to the Committee Staff, the fullest cooperation as we move into the future.

One of the subjects at the top of my list of priorities to be dealt with in meeting my responsibilities is to determine as wisely and precisely as possible whether or not the allocation of resources within the Agency has left us balanced or unbalanced. Have we, for example, shortchanged processing and analysis functions and devoted too much to the collection phase. Intimately related to this question is the size and effectiveness of the Operations Directorate, which is the largest Directorate within the Agency. If we look at the question of balance, we will be probing deeply into questions concerning the Operations Directorate.

Accordingly, I most respectfully request that your Committee allow me a period of time in the order of six to nine months to study and make judgment about this question. I will keep you and the Committee informed by way of periodic status reports as to how we are getting along and our findings, of course, will be made available to the Committee through the Staff.


Your agreement to defer a decision on a Committee review of this subject will not only give me time to exercise my responsibility with respect to this question, it will also be of immense internal assistance to us in avoiding the concerns of those in the Operations Directorate who have found themselves heavily burdened for the past 18 months or so by the combined challenges of their daily work and outside reviews and investigations.

For these reasons I do hope you will agree to allow me to have some time to meet my tasks, to study the Operations Directorate as an issue related to the overall balance of the Agency, and to keep you advised of our progress.

Faithfully yours,

E. H. Knoche



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MEMORANDUM FOR: [REDACTED]

25X1A

12 July 1976
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54

MEMORANDUM FOR: [REDACTED]

25X1A

12 July 1976
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(4)